



Earnings Update: AFRICA PRUDENTIAL PLC Q2-2021

Poor Performance driven by a decline in 'Contracts with Customers'

23 July 2021

THINGS WE LIKE ABOUT THE RESULT

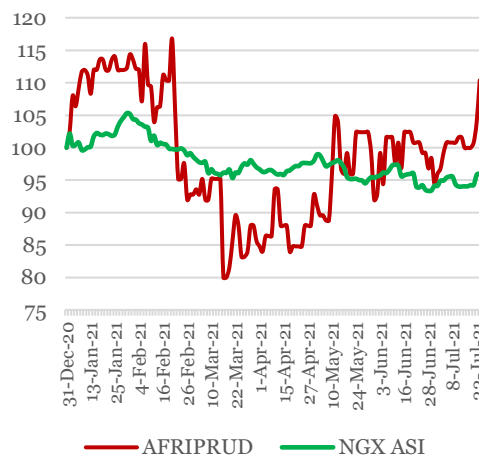
1. Interest Income increased mildly by 1.8% y/y in Q2-2021 to ₦682.5 million from ₦670.8 million due to the ripple effect of a 25.7% and 202.5% y/y increase in Interest Income earned on staff loans and Interest in Bonds, respectively.
2. Other Income stood at ₦85.5 million, higher than the ₦9.0 million posted at the end of the second quarter of 2020.
3. The Total Assets is valued at N88.9 billion, 5 times greater than the amount valued in December 2020.
4. Customer Deposits (dominated by dividend deposits) through the period under review settled at ₦80.3 billion, 9.3 times greater than the ₦8.3 billion recorded in 2020.

THINGS WE DID NOT LIKE ABOUT THE RESULT

1. Gross Revenue declined by 25.4% to peg at ₦842.9 million compared to ₦1.1 billion in Q2-2020. This was due to the 65.1% drop in revenue from a major business segment (Revenue from Contracts with Customers) which settled at ₦160.4 from the ₦459.1 recorded in Q2-2020.
2. Personnel Expenses rose by 33.4% to ₦136.7 million and Other Operating Expenses surged by 115.6% to ₦252.3 million compared to the corresponding quarter of the previous year.
3. Profit Before Tax was valued at ₦521.3 million, as against ₦897.7 million in Q2-2020 a 41.9% decline y/y.
4. The Profit for the period is ₦473.5 million, 43.3% lower than the profit reported in Q2-2020 at 835.0 million.

TICKER	AFRIPRUD
Price (₦) at 23 July, 2021	6.90
Shares Outstanding	2,000,000,000
P/E	11.40
Exit Price 1 (₦)	6.50
Exit Price 2 (₦)	6.30
Entry Price 1 (₦)	5.90
Entry Price 2 (₦)	5.50
Expected Loss 1	9.23%
Expected Loss 2	12.70%
Rating	SELL

REBASED YTD PRICE MOVEMENT AFRIPRUD & NGX ASI



Source: Investing, PSL Research

Kindly click [here](#) for the full financial statement.

Disclaimer

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Parthian Securities Limited (PSL) - Research



PARTHIAN
SECURITIES

A Trading License Holder of the Nigerian Exchange Limited

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INCOME STATEMENT	Q2-2021	Q2-2020	Change (%)
Revenue from Contracts with Customers	160,399	459,105	-65.06%
Interest Income	682,481	670,773	1.75%
Gross Revenue	842,880	1,129,878	-25.40%
Personnel Expenses	-136,686	-102,407	33.47%
Other Operating Expenses	-252,328	-117,017	115.63%
Depreciation of Property and Equipment	-6,765	-9,067	-25.39%
Amortization of Intangible Assets	-6,976	-3,701	88.49%
Profit Before Income Tax Expense	521,331	897,694	-41.93%
Income Tax Expense	-47,838	-62,654	-23.65%
Profit After Tax	473,493	835,041	-43.30%
BALANCE SHEET	Q2-2021	Dec-2020	Change (%)
Cash and Cash Equivalents	74,786,390	1,005,752	7335.87%
Trade and Other Receivables	506,799	298,665	69.69%
Total Assets	88,868,380	17,728,570	401.27%
Debt Instruments at Amortized Cost	10,222,041	13,014,137	-21.45%
Right-of-use-Assets	3,727	7,586	-50.87%
Customers' Deposits	80,284,300	8,639,683	829.25%
Creditors and Accruals	181,745	86,574	109.93%
Total Liabilities	80,706,974	9,358,917	762.35%
Total Equity	8,161,406	8,369,653	-2.49%
Total Equity and Liabilities	88,868,380	17,728,570	401.27%
CASH FLOW STATEMENT	Q2-2021	Dec-2020	Change (%)
Operating Activities	71,640,843	607,692	11689.01%
Investing Activities	3,142,040	180,969	1636.23%
Financing Activities	-1,002,245	-1,405,094	-28.67%
Cash and Cash Equivalents	74,786,390	1,005,752	7335.87%

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